



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Bill 1

## FISCAL NOTE

**Drafting Number:** LLS 19-0226  
**Prime Sponsors:**

**Date:** October 1, 2018  
**Bill Status:** Opioid and Other Substance  
Use Disorders Study Committee  
Bill Request  
**Fiscal Analyst:** Bill Zepernick | 303-866-4777  
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**Bill Topic:** TREATMENT FOR OPIOID AND SUBSTANCE USE DISORDERS

**Summary of  
Fiscal Impact:**

- |   |  |
|---|--|
| <input type="checkbox"/> State Revenue                | <input type="checkbox"/> TABOR Refund                |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer               | <input type="checkbox"/> Statutory Public Entity     |

This bill enacts several initiatives to improve access to behavioral health care services including the development of a web-based behavioral health capacity tracking system, establishment of a care coordination program, and creation of a capacity building grant program. These programs will increase state expenditures and may decrease local government workload on an ongoing basis.

**Appropriation  
Summary:**

For FY 2019-20, this bill requires appropriations totaling up to \$5.7 million to multiple state agencies.

**Fiscal Note  
Status:**

The fiscal note reflects the bill draft requested by the Opioid and Other Substance Use Disorders Study Committee.

**Table 1**  
**State Fiscal Impacts Under Bill 1**

		FY 2019-20	FY 2020-21
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	up to \$5,611,077	up to \$5,427,083
	Cash Funds	\$10,228	\$11,358
	Federal Funds	\$31,961	\$35,493
	Centrally Appropriated Costs	\$75,043	\$63,958
	<b>Total</b>	<b>up to \$5,728,309</b>	<b>up to \$5,537,892</b>
	<b>Total FTE</b>	<b>4.7 FTE</b>	<b>4.3 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## **Summary of Legislation**

This bill enacts several initiatives to improve access to behavioral health and substance use disorder treatment, as outlined below.

**Capacity tracking system.** The bill requires the Department of Human Services (DHS) to establish a centralized, web-based behavioral health capacity tracking system to track bed space use and availability at behavioral health, substance use disorder treatment, medication-assisted treatment, and medical detoxification facilities. This system, which is intended to provide real-time data, is accessible to health care professionals, law enforcement, court personnel, and the public. Specified facilities are required to update capacity data for their facilities at least daily, and are subject to a penalty for noncompliance.

The bill specifies the various data to be tracked in the system, including name and contact information for the facility, the facility license type and approved bed capacity, currently available bed space, admission and exclusion criteria, whether the facility takes involuntary clients, payor sources accepted, and other such data. The system must be implemented by the DHS by January 1, 2020.

**Care coordination system.** The bill requires the DHS to establish a care coordination system to assist individuals in accessing treatment. The bill instructs the DHS to issue a request for proposals and to procure a contractor to operate the system. The system, at a minimum, must include independent screening of the treatment needs of the client, the identification of treatment options, and assistance finding available treatment options. The care coordination system must be available 24 hours per day and be accessible through various formats including online, in-person, and by telephone.

The contractor must coordinate services with other state care coordination and behavioral health response systems to ensure integrated service delivery. In addition, the contractor must enter into a memorandum of understanding with the Office of the Ombudsman for Behavioral Health Access to Care to facilitate reporting of health benefit plans that do not comply with the federal Mental Health Parity and Addiction Equity Act of 2008. The contractor must also collect and report specified data to the DHS. The system must be in place by January 1, 2020. The DHS must report by September 1, 2020, and each September 1 thereafter, to the Joint Budget Committee and the health and human services committees of the General Assembly on the data and information collected by the contractor.

**Capacity-building grant program.** The bill requires the General Assembly to appropriate up to \$5.0 million annually to the DHS to make one-time grants to support substance use disorder treatment capacity-building in rural and frontier communities. The grants may be used to support building a continuum of services, including, but not limited to, medical detoxification, residential treatment, and intensive outpatient treatment. Managed service organizations, local primary care or substance use disorder treatment providers, local governments, counties, schools, and law enforcement agencies may apply for a grant. The grant program is repealed on July 1, 2024.

## State Expenditures

This bill increase expenditures by up to \$5,728,309 and 4.7 FTE in FY 2019-20 and up to \$5,537,892 and 4.3 FTE in FY 2020-21 and each fiscal year through FY 2023-24. These costs are in the DHS, Office of Information Technology (OIT), and the Department of Health Care Policy and Financing (HCPF) and are paid from primarily from the General Fund, except for a portion of HCPF costs which are paid using cash funds and federal funds. In addition, the Department of Public Health and Environment (CDPHE) will have an increase in workload under the bill. These costs are summarized in Table 2 and discussed below.

**Table 2**  
**Expenditures Under Bill 1**

<b>Cost Components</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Department of Human Services</b>		
Personal Services	\$152,318	\$182,781
Operating Expenses and Capital Outlay Costs	\$16,674	\$2,850
Computer System Modifications	\$100,000	\$10,000
Care Coordination Contractors	\$160,146	\$174,705
Capacity-Building Grants	up to \$5,000,000	up to \$5,000,000
Centrally Appropriated Costs*	\$35,977	\$43,172
FTE – Personal Services	2.5 FTE	3.0 FTE
<b>DHS (Subtotal)</b>	<b>up to \$5,465,115</b>	<b>up to \$5,413,508</b>
<b>Office of Information Technology</b>		
Personal Services	\$149,470	\$32,611
Operating Expenses and Capital Outlay Costs	\$10,736	-
Centrally Appropriated Costs*	\$26,874	\$5,812
FTE – Personal Services	1.4 FTE	0.3 FTE
<b>OIT (Subtotal)</b>	<b>\$187,080</b>	<b>\$38,423</b>
<b>Department of Health Care Policy and Financing</b>		
Personal Services	\$58,364	\$70,036
Operating Expenses and Capital Outlay Costs	\$5,558	\$950
Centrally Appropriated Costs*	\$12,192	\$14,975
FTE – Personal Services	0.8 FTE	1.0 FTE
<b>HCPF (Subtotal)</b>	<b>\$76,114</b>	<b>\$85,961</b>
<b>Total</b>	<b>up to \$5,728,309</b>	<b>up to \$5,537,892</b>
<b>Total FTE</b>	<b>4.7 FTE</b>	<b>4.3 FTE</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Department of Human Services.** The DHS will have costs of up to \$5,465,115 and 2.5 FTE in FY 2019-20 and \$5,413,508 and 3.0 FTE in FY 2020-21 and futures years. These costs, paid from the General Fund, are to establish the behavioral health capacity tracking system and the care coordination system, and to issue capacity building grants, as described below.

- *Personal services and operating expenses.* As shown in Table 2, the DHS will have personal services, operating, and capital outlay expenses for 3.0 FTE under the bill. These costs are prorated to reflect an August 1 start date and the General Fund paydate shift. 1.0 FTE is for a data management staff person for the capacity tracking system, and 2.0 FTE are for contract administration staff to oversee the grant program created under the bill. It is assumed that the contract administrator FTE will be reduced in FY 2024-25 after the grant program has wound down. The contract FTE is based on the assumption that 50 grants of \$100,000 per year are awarded annually.
- *Capacity tracking system.* It is assumed that the DHS can modify and utilize an existing facility tracking system in the CDPHE to establish the behavioral health capacity tracking system required under the bill. System modifications will cost \$100,000 in the first year and \$10,000 in the second year to add modules to the existing system and establish necessary data connections across systems. The DHS will also have costs of \$160,206 in FY 2019-20 and \$32,611 for payments to OIT, which will require 1.4 FTE in FY 2019-20 and 0.3 FTE in FY 2020-21 for web development and project manager staff to establish the web-based portion of the capacity tracking system. Details of these costs are shown in the OIT section of Table 2 above.
- *Care coordination system.* The DHS will have costs of \$160,146 in FY 2019-20 and \$174,705 in FY 2020-21 for contracted staff to operate the care coordination program required under the bill. It is assumed that this work would most effectively be conducted in conjunction with the existing statewide crisis hotline, which is available 24 hours per day, 7 days per week. These costs assume that additional contract staff will be used at the hotline to perform care coordination duties and to connect clients with the behavioral health ombudsman.
- *Capacity-building grant program.* The DHS will have costs of up to \$5.0 million per year from FY 2019-20 to FY 2023-24, paid from the General Fund, to make grants to local governments and other entities in rural and frontier areas of the state to enhance the capacity of the behavioral health care system. The exact amount appropriated for the grant program, within the statutory limit, must be decided by the General Assembly.

**Department of Health Care Policy and Financing.** HCPF will have costs of \$76,114 and 0.8 FTE in FY 2019-20 and \$85,961 and 1.0 FTE in FY 2020-21 for a staff person to assist in care coordination for Medicaid clients. This staff would serve as a point of contact for the care coordination contractor in the DHS concerning Medicaid clients and persons potentially eligible for Medicaid. Personal services, operating, and capital outlay expenses for this staff are shown in Table 2 above, and are prorated to reflect an August 1 start date and the General Fund paydate shift. If improved care coordination results in additional service costs for the Medicaid program, it is assumed that these costs will be addressed through the annual budget process.

**Department of Public Health and Environment.** The CDPHE will have an increase in workload for its staff to coordinate with the DHS on modifying its existing computer system to implement the capacity tracking system. It is assumed that this workload can be accomplished within existing appropriations.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$75,043 in FY 2019-20 and \$63,958 in FY 2020-21.

## **Local Government**

The bill impacts local governments in several ways. First, availability of the behavioral health capacity tracking system and the care coordination contractor, and expanded system capacity from the grant program may reduce workload for local law enforcement personnel, social workers, and other staff in placing persons in need of behavioral health services in an appropriate placement to meet their needs. This may also reduce the number of persons held in county jails when no other placement is available or accessible. Local governments in rural and frontier areas may also have increased revenue and expenditures if they apply for and receive grants from the DHS.

## **Effective Date**

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

## **State Appropriations**

For FY 2019-20, the bill requires the following appropriations:

- \$589,344 General Fund and an allocation of 2.5 FTE to the DHS; of which \$160,206 should be reappropriated to OIT along with an additional allocation of 1.4 FTE;
- up to \$5.0 million General Fund to the DHS for the capacity-building grants;
- \$63,922 to HCPF, of which \$21,733 is General Fund, \$10,228 is from the Colorado Hospital Accessibility and Sustainability Enterprise Fund, and \$31,961 is federal funds.

## **State and Local Government Contacts**

Counties  
Information Technology

Health Care Policy and Financing  
Public Health and Environment

Human Services